



Santa Ana College

Planning & Budget Meeting

April 15, 2014

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SAC Planning and Budget Committee

April 15, 2014

1:30 p.m. - 3:00 p.m.

S-215

THE PLANNING AND BUDGET COMMITTEE is the participatory governance committee responsible for recommending budget priorities, procedures, and processes to the College Council. The Planning and Budget Committee also functions as a community liaison for fiscal affairs with the college community.

*Santa Ana College Participatory Governance Structure Handbook
(May 8, 2013)*

Agenda

1. Welcome and Introductions
2. Public Comments
3. Approval of Minutes for March 4, 2014 ACTION
4. Budget Update INFORMATION
5. Student Update INFORMATION
6. Old Business
 - Cost of Intersession INFORMATION
7. New Business
 - SAC Budget Allocation by area (3 years) INFORMATION
 - RSCCD SB361 Revenue allocation FY 12/13 and 13/14 INFORMATION
 - District Budget (by site) Unrest/Rest GF 11,12,13 (5 years) INFORMATION
 - Quarterly Budget Performance Report (Jan., Feb. March) ACTION
<http://www.sac.edu/AdminServices/budget/Pages/default.aspx>
 - Prioritized Resource Allocation Request INFORMATION
 - 14/15 Planning and Budget meeting schedule INFORMATION
 - 14/15 Tentative Budget Planning INFORMATION
 - 14/15 Tentative Budget Assumptions ACTION
8. Future Agenda Items
 - SAC Budget Office Website
9. Other Business

Next Meeting - May 6, 2014

The mission of Santa Ana College is to be a leader and partner in meeting the intellectual, cultural, technological and workforce development needs of our diverse community. Santa Ana College provides



SAC PLANNING & BUDGET MEETING
MINUTES - MARCH 4, 2014
SAC FOUNDATION BOARD ROOM
1:30P.M. – 3:00P.M.

DRAFT FOR APPROVAL

The mission of Santa Ana College is to be a leader and partner in meeting the intellectual, cultural, technological and workforce development needs of our diverse community. Santa Ana College provides access and equity in a dynamic learning environment that prepares students for transfer, careers and lifelong intellectual pursuits in a global community.

Administrators	Academic Senate			CLASSIFIED	Student Rep.	
Mike Collins, co-chair	Chris Cannon(a)	Monica Porter	John Zarske	Tom Andrews	Jorge Sandoval(a)	
Jim Kennedy	Ray Hicks co-chair	George Wright		Angela Guevara	GUESTS	
Linda Rose				Denise Hatakeyama	Esmeralda Abejar	Rhonda Langston
Lilia Tanakeyowma				Leslie Wood-Rogers	Carl Jaeger	Jimmy Nguyen
1. WELCOME					Meeting called to order 1:34p.m.	
		Self introductions were made.				
2. PUBLIC COMMENTS		DISCUSSION/COMMENTS			ACTIONS/ FOLLOW UPS	
		No public comments				
3. MINUTES		DISCUSSION/COMMENTS			ACTIONS/ FOLLOW UPS	
		The February 4, 2014 Planning and Budget minutes were presented for approval.			<u>ACTION</u> Motion was moved by J. Kennedy to approve the February 4, 2014 Planning & Budget Committee minutes. 2 nd – G. Wright Minutes were unanimously approved as presented.	
4. BUDGET UPDATE		DISCUSSION/ COMMENTS			ACTIONS/ FOLLOW UPS	
		<u>STATE</u> <ul style="list-style-type: none"> Legislative Analyst's recommendation/opinion on the Gov.'s proposed budget is starting to shoot holes in the Gov.'s proposed budget. A few items in question are the 3% growth/access language- many districts in the state are struggling to meet enrollment targets in 12-13, and it could definitely be the case in 13-14. \$ might be better spent elsewhere. The LAO concludes that the "overall plan is reasonable," Cal STRS deficit needs to be addressed, but nothing as of yet- I could see how this issue may play a part in final budget negotiations Statewide P1 deficit of 4.4% for 13-14, but we can expect a lower deficit factor come the end of the FY. <u>DISTRICT</u> <ul style="list-style-type: none"> Principle apportionment at P1 @4.4%, or about \$5.8 million, as noted in the state update, it's anticipated that should reduce down to below 1% FON penalty of about \$800,000 did not show up on our P1 apportionment, expect				

BUDGET UPDATE (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<p>it in P2</p> <ul style="list-style-type: none"> • Tentative and Adopted 14/15 District budget calendars were approved at FRC- SAC's is in alignment with District's budget calendars • BAM review took place, and some draft ideas were submitted to FRC for review. The SAC P&B Committee also received the proposed revisions for review in your FRC agenda items sent to you. If you have any feedback, please let me know and I can carry them to College Council and FRC. My major revision surrounded the 50% law and each College's compliance/non-compliance with the law. FRC did not take action at the last FRC meeting. • District Tent. Budget assumptions were not approved as FRC needs further clarification on the following District budget augmentation: Trustee expenses \$13,000 Marketing expenses \$200,000 Chancellor's Office expenses \$25,000 International Student Recruitment- China office \$12,000 <p>**Special FRC meeting on March 12th Discussion ensued.</p> <ul style="list-style-type: none"> • Concerns from the members related to the International Student Recruitment China office and the Marketing expense augmentations were noted. <p><u>SAC</u></p> <ul style="list-style-type: none"> • Through the end of January, our SAC budget is performing well at approx. 3% under budget. Conservative forecasting shows us ending the year at about 2.5% under budget, or \$1.9 million in carryover. <ul style="list-style-type: none"> o It was clarified that last year's ending balance that was the college's beginning budget this year was 3.6mil minus the unrestricted contingency fund. o Members were reminded that the 1.9 million in carryover could be subject to change as the college has not received COLA monies nor Intersession costs from the district. • This means that we are still spending more than we have in revenue, as for 13-14 we started the year with approx. \$3 million in carryover. • We are building our SAC budget assumptions right now and will have them ready for the next P and B Committee meeting- must get the District's approved assumptions first- I will bring them to the next P and B for review. • One major assumption is the recruitment and addition of new faculty at SAC in accordance with the FON. • RAR process is in full swing, as budget augmentation requests are being analyzed and prioritized for 14/15. The analysis is rooted in the alignment with our college's mission, our P and B approved budget priorities, and the intended outcomes identified in the area program review documents. The entire list will be provided to the campus community shortly. <ul style="list-style-type: none"> o Next step is for Admin Services to begin to identify potential funding sources for 	

BUDGET UPDATE (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<p>augmentation requests- happen this month</p> <ul style="list-style-type: none"> • Work was done by College Council on the SAC Strategic Plan, which analyzed and re-established our institutional priorities, and allows the college to align resources with the Strategic Plan. Still in draft form, as it will go back to college council for further discussion. 	
5. STUDENT UPDATE		
	No Student Update.	
6. NEW BUSINESS	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
SAC Budget Calendar 14/15	The committee was presented to the committee as an informational item.	
FON/New Faculty Hiring	<p>Members were presented with an overview of the FON/New Faculty Hiring for 2014/15. The overview outlined</p> <ul style="list-style-type: none"> • 3,319,773 cost for new faculty hires. (list provided) • 1,195,227 cost savings by replacing classes taught by part time faculty with new faculty hires. • 1,048,556 still needed to fully fund the new faculty hires. <p>It was noted that a critical component of this projection is for cost savings in replacing the classes taught by part time with the faculty new hires. Dr. Collins will be working closely with Dr. Rose towards meeting that target.</p> <p>It was clarified that the Board of Governors had implemented the FON for 14/15.</p>	
Vacant Position list	<p>The vacant position list was provided for the committee's review. Discussion ensued.</p> <ul style="list-style-type: none"> • Total cost shown is the annualized costs. • All positions on the new hire faculty list reflected on the vacant position list. • Positions noted on the vacant position list is not to be interpreted as automatic new hires in 14/15. • Members were reminded that a big part of the college's ending balance comes from the vacant position. • The importance of being strategic in hiring as well as understanding the impact to the ending balance was stressed. 	
IT Refresh	<p>\$300,000 from district vacant positions has been identified to replace outdated technology at both campuses.</p> <ul style="list-style-type: none"> • Allocation will follow the budget model with SAC receiving \$210,000. • The focus for the monies will be to replace all computers older than 6 years on the administrative side (non-instruction). • Some instructional equipment monies were received this year and it is anticipated that the college will receive a sizable allocation in terms of instructional equipment next year. • There is discussion regarding developing a computer rotation strategy for the campus. • The college has also allocated \$75,000 this year for technology needs. • The college has purchased a 2 year agreement with NUVENTIVE for TracDat software system. This software will run the college's program review and program measurement database. 	

NEW BUSINESS (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<ul style="list-style-type: none"> o The 2 year agreement allowed for a 27% cost savings. o The agreement also locked in the cost for the potential of housing the server on site should the college chose to. <p>This system was also previewed endorsed by the Academic Senate.</p>	
RSCCD Budget Calendars	The district “approved” budget calendars were presented to the committee as information. Members were reminded that the district budget calendars guide the SAC budget development process.	
7. OTHER	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<p>Dr. Collins acknowledged Geni Lusk for her work in preparing and producing the committee minutes and related materials. In addition, he acknowledged Esmeralda Abejar for her work with the RAR process.</p> <p>There was an inquiry regarding the college meeting its FTE target. It was noted that the college is making their base FTE however they are not meeting their “growth” target. A discussion ensued.</p> <ul style="list-style-type: none"> • Intersession had an impact on Spring 2014. The traditional Spring start date was pushed back to accommodate Intersession which resulted in students taking classes at other institutions that started their Spring earlier. <ul style="list-style-type: none"> o SAC exceeded their FTE target of 316 for Intersession by 120 FTEs for a total of 436. It was noted that these were outstanding results considering the short time frame that Intersession was put together. • Important to change the way that courses are scheduled to ensure that students complete a degree or certificate within 5-7 years. • It is necessary to look at the schedule strategically in order to move forward with student completion. <p><u>INSTRUCTIONAL CALENDAR/INTERSESSION</u></p> <p>It was noted that there has been some discussions regarding the college’s input in regards to the instructional calendar. Specifically, as the colleges will be paying for Intersession, there is an interest in each college having input in deciding if Intersession is a viable expense for them. It was suggested that the discussion should include concrete information in order to determine how best to move forward.</p> <p><u>BUDGET STABILAZATION FUND</u></p> <p>There was discussion regarding having prescribed guidelines for monies provided from the budget stabilization fund such as in the case of the OEC project.</p> <ul style="list-style-type: none"> • It was noted that original intent of the fund was to fund the needs of the colleges until their revenues matched their expenditures as they transitioned into the SB361 model. • Balance is quickly dwindling. 	<p><u>FOLLOW UPS</u></p> <p>The cost of Intersession will be brought to the Planning and Budget committee for review.</p> <p><u>FOLLOW UPS</u></p> <p>John Zarske will address the item with Dr. Rodriquez and report back at the April Planning and Budget meeting.</p> <p style="text-align: right;">Adjourned - 2:36p.m. Next Meeting Tuesday, April 15, 2014 1:30p.m. - 3:00p.m. S-215 Submitted by G. Lusk 3/15/14</p>

SAC BUDGET ALLOCATION BY AREA (Three Years)

SANTA ANA COLLEGE		FY 2013/14				FY 2012/13				FY 2011/12 *			
AREA	DESCRIPTION	Allocated Budget	% Alloc.	Actuals 3/25/14	% Used	Allocated Budget	% Alloc.	Actuals 6/30/13	% Used	Allocated Budget	% Alloc.	Actuals 6/30/12	% Used
Academic Affairs	Salaries and Benefits	41,919,325	56%	28,673,819	68%	41,103,346	55%	40,757,769	99%	40,366,627	52%	40,440,241	100%
Academic Affairs	Non Salary Accounts	3,660,804	5%	1,832,292	50%	3,386,408	5%	3,088,377	91%	3,352,237	4%	3,238,193	97%
	Total Academic Affairs	45,580,129	61%	30,506,111	67%	44,489,754	60%	43,846,146	99%	43,718,864	57%	43,678,434	100%
School of Continuing Ed	Salaries and Benefits	9,354,856	12%	5,998,713	64%	9,313,300	13%	9,162,849	98%	10,470,948	14%	10,218,707	98%
School of Continuing Ed	Non Salary Accounts	616,610	1%	301,995	49%	464,754	1%	436,436	94%	445,562	1%	424,641	95%
	Total SCE	9,971,466	13%	6,300,708	63%	9,778,054	13%	9,599,285	98%	10,916,510	14%	10,643,348	97%
Student Services	Salaries and Benefits	9,871,109	13%	6,453,465	65%	10,070,195	14%	9,792,691	97%	9,820,920	13%	9,596,604	98%
Student Services	Non Salary Accounts	78,109	0%	10,663	14%	202,802	0%	144,065	71%	87,179	0%	51,789	59%
	Total Student Svcs	9,949,218	13%	6,464,128	65%	10,272,997	14%	9,936,756	97%	9,908,099	13%	9,648,393	97%
Administrative Services	Salaries and Benefits	4,216,889	6%	2,556,920	61%	3,944,442	5%	3,723,388	94%	3,962,270	5%	3,714,801	94%
Administrative Services	Non Salary Accounts	3,409,661	5%	2,173,793	64%	3,368,930	5%	2,982,249	89%	3,958,676	5%	2,702,610	68%
	Total Administrative Svcs	7,626,550	10%	4,730,713	62%	7,313,372	10%	6,705,637	92%	7,920,946	10%	6,417,411	81%
President's Office*	Salaries and Benefits	1,376,424	2%	547,886	40%	1,429,534	2%	773,592	54%	4,459,094	6%	3,150,133	71%
President's Office	Non Salary Accounts	792,772	1%	(11,744)	-1%	1,122,053	2%	(75,565)	-7%	60,181	0%	60,767	101%
	Total President's Office	2,169,196	3%	536,142	25%	2,551,587	3%	698,027	27%	4,519,275	6%	3,210,900	71%
	Total	75,296,559	100%	48,537,802	64%	74,405,764	100%	70,785,851	95%	76,983,694	100%	73,598,486	96%

* Auxiliary Svcs and safety expenses budgeted at the campuses in FY 11/12

RSCCD SB 361 Revenue Allocation simulation for Unrestricted Fund 11 and 13 Based on 11/12 Annual Reported FTES					
* Adopted Budget FY 12/13					
	SAC/CEC	SCC/OEC	DO	DW	Total
Estimated Apportionment Revenue	88,112,847	39,705,067	-	-	127,817,914
Other State Revenue	3,002,918	1,204,183	-	-	4,207,101
Total Estimated Apportionment Revenue	91,115,765	40,909,250	-	-	132,025,015
<i>Less District Wide expenditures</i>					10,491,861
Estimated Revenue with 19.49% for DO	67,451,576	30,394,766	23,686,812		121,533,154
	55.50%	25.0%	19.49%		100%
Budget Expenditures					
SAC/CEC	74,031,140				74,031,140
SCC/OEC		33,698,194			33,698,194
DO			26,841,443		26,841,443
District-Wide Services				10,491,861	10,491,861
Total Expenses	74,031,140	33,698,194	26,841,443	10,491,861	145,062,638
Estimated Expenses Under/(Over) Revenues	-6,579,564	-3,303,428	-3,154,631		-13,037,623
Other Local Revenues	1,473,014	1,668,476	239,250	1,168,508	4,549,248
Estimated Ending Balance for 6/30/13	-5,106,550	-1,634,952	-2,915,381	1,168,508	-8,488,375

* First year of SB361 Budget Model implementation

RSCCD SB 361 Revenue Allocation simulation for Unrestricted Fund 11 and 13 Based on 12/13 Second Period Funded FTES					
Adopted Budget FY 13/14					
	SAC/CEC	SCC/OEC	DO	DW	Total
Estimated Apportionment Revenue	89,442,091	39,010,243	-	-	128,452,334
Other State Revenue	3,579,556	1,467,856	-	-	5,047,412
Total Estimated Apportionment Revenue	93,021,647	40,478,099	-	-	133,499,746
<i>Less District Wide expenditures</i>					10,308,240
<i>Less Net District Office Expenditures</i>					25,590,185
Estimated Revenue	67,960,355	29,640,966	-	-	97,601,321
FTE's percentage split	69.63%	30.37%			100%
Budget Expenditures					
SAC/CEC	75,194,341				75,194,341
SCC/OEC		33,704,335			33,704,335
DO			26,238,350		26,238,350
District-Wide Services				10,308,240	10,308,240
Total Expenses	75,194,341	33,704,335	26,238,350	10,308,240	145,445,266
Estimated Expenses Under/(Over) Revenues	-7,233,986	-4,063,369	-26,238,350		-37,535,705
Other Local Revenues	1,485,359	1,653,675	230,000	418,165	3,787,199
Estimated Ending Balance for 6/30/14	-5,748,627	-2,409,694			-8,158,321

District General Budget (by site) Unrestricted/Restricted Fund 11, 12, 13 (Five Years)

	2009/10		2010/11		2011/12		* 2012/13		2013/14	
	Adopted Budget	%	Adopted Budget	%	Adopted Budget	%	Adopted Budget	%	Adopted Budget	%
Beginning Balance	16,867,113		32,190,876		47,079,378		44,365,824		39,282,532	
Federal Revenue	14,255,279	8.62%	9,885,271	6.24%	10,111,452	6.32%	12,061,850	7.37%	12,421,946	7.30%
State Revenue	100,956,478	61.02%	90,639,747	57.26%	96,349,361	60.20%	96,721,835	59.14%	93,273,185	54.78%
Local Revenue	50,095,258	30.28%	57,761,835	36.49%	53,570,371	33.47%	54,771,647	33.49%	64,576,601	37.92%
Other Sources	141,595	0.09%	16,500	0.01%	16,500	0.01%	5,000	0.00%	5,000	0.00%
Total Revenues	165,448,610	100%	158,303,353	100%	160,047,684	100%	163,560,332	100%	170,276,732	100%
Expenses by Site										
SAC	98,268,485	53.90%	93,026,320	48.83%	92,814,912	44.81%	91,115,263	43.82%	93,096,063	44.42%
SCC	41,148,830	22.57%	40,971,889	21.51%	40,907,040	19.75%	39,793,545	19.14%	41,400,494	19.76%
DO	25,220,344	13.83%	24,965,893	13.11%	26,409,717	12.75%	31,792,248	15.29%	30,879,326	14.74%
District-wide Expenses	8,652,310	4.75%	9,761,805	5.12%	11,168,694	5.39%	17,682,117	8.50%	17,517,390	8.36%
District-Wide Reserves	9,025,754	4.95%	21,768,322	11.43%	35,826,699	17.30%	27,542,983	13.25%	26,665,991	12.72%
Total Expenses	182,315,723	100%	190,494,229	100%	207,127,062	100%	207,926,156	100%	209,559,264	100%

* First year of SB 361 Budget Model Implementation



SANTA ANA COLLEGE

2014/2015

Planning and Budget

Shared Governance Meeting Schedule

The mission of Santa Ana College is to be a leader and partner in meeting the intellectual, cultural, technological and workforce development needs of our diverse community. Santa Ana College provides access and equity in a dynamic learning environment that prepares students for transfer, careers and lifelong intellectual pursuits in a global community.

Planning & Budget Committee

SAC Foundation Board Room

1:30–3:00p.m.

*August 5, 2014

September 2, 2014

October 7, 2014

November 4, 2014

December 2, 2014

February 3, 2015

March 3, 2015

April 14, 2015

May 5, 2015

*June 2, 2015

**If needed*

SANTA ANA COLLEGE
UNRESTRICTED GENERAL FUND
2014-15 TENTATIVE BUDGET ASSUMPTIONS
April 15, 2014

The following assumptions will be used in the development of the 2014/15 SAC Tentative Budget.

- 1.** From a budget methodology perspective, SAC will be in implementation year three of the District's transition to the SB361 Budget Allocation Model.
- 2.** Tentative Base Budget for 2014/15 will begin with a rollover in total 2013/14 SAC Adopted Budget. The Tentative Budget will be balanced if necessary by using a portion of the District's Budget Stabilization Fund.
- 3.** SAC Tentative Budget assumptions will be in alignment with the District's 14/15 Tentative Budget assumptions
- 4.** SAC Tentative Budget will be prepared in alignment with the established College Mission/Goals and Strategic Plan as well as the College budgeting priorities as developed by the SAC Planning & Budget committee.
- 5.** In alignment with the District's Tentative Budget assumptions, SAC will plan for a COLA increase (.86%) and an estimated Restoration/Access/Growth (3%) increase for the Tentative Budget. COLA revenue will be set aside in districtwide expenditure accounts subject to collective bargaining. SAC must first earn the Restoration/Access/Growth before any revenue will be realized.
- 6.** Step and Column movement will be budgeted for at a cost of \$1.1 million district-wide (including benefits).
- 7.** The College will budget for a total of twenty nine (29) full time faculty positions (9 replacement and 20 new positions) to comply with District's FON statutory requirement.
- 8.** Existing vacant positions will be fully funded.
- 9.** Sabbatical costs will be budgeted for at SAC.
- 10.** Part-time hourly budgets will contain sufficient funds to meet SAC's FTES target in accordance with the class schedule. The current rate per Lecture Hour Equivalent (LHE) for hourly faculty is \$1,174 effective July 2013. This represents a 6.7% increase from 2012/13.
- 11.** 5% increase in cost for utilities expenses and preventative and routine maintenance will be budgeted.
- 12.** A Technology Fund will be budgeted for SAC.
- 13.** A Professional Development Fund will be budgeted at SAC.
- 14.** A budget for accreditation expenses will be budgeted at SAC.
- 15.** SAC will fund an Institutional Contingency Reserve of 20% of the total SAC carryover funds
- 16.** SAC will be allocated Scheduled Maintenance funds \$1,540,000 plus a district match of \$1,540,000
- 17.** SAC will be allocated 1,540,000 in Instructional Equipment funds, SAC will match \$513,333